

# FY2002 Bison Report

Prepared by  
George Harris, Administrator  
Centralized Services Division  
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## Background

The 57th Legislature placed language in the Appropriations Bill, HB 2, that requires the Department of Livestock to submit an annual fiscal report of the cost of managing the bison/ brucellosis disease control program. Specifically, the language states:

The Department shall record separately all personal services, operating expenses, equipment, and capital expenditures related to bison control for all programs in which any resources are expended for that purpose on the state accounting, budgeting, and human resource system in a manner so that those expenditures may be readily derived and shall create a summary report. The department shall provide an annual report, by program, to the legislative fiscal analyst and the office of budget and program planning of all expenditures related to bison control.

## Interagency Bison Agreement

On December 22, 2000 the Montana Department of Livestock (DOL) and the Montana Department of Fish, Wildlife and Parks (FWP) with federal agencies implemented the Interagency Bison Management Plan, as described in the Record of Decision and approved by the Governor of the State of Montana, as the appropriate strategy for the management of bison that move from Yellowstone National Park into Montana. The Interagency Bison Management Plan is similar to the preferred alternative that was described and evaluated in the Final Environmental Impact Statement (FEIS), dated November 15, 2000, and is within the scope of that analysis.

DOL and FWP have proceeded to implement bison management according to the Interagency Bison Management Plan and in cooperation with the United States Department of Interior (USDI) National Park Service (Yellowstone National Park), United States Department of Agriculture (USDA) Forest Service (Gallatin National Forest), and USDA Animal and Plant Health Inspection Service (APHIS).

Implementation of the Interagency Bison Management Plan by DOL and FWP was contingent upon a decision by the federal agencies to implement a plan that contained the management actions described in the state approved plan; the federal agencies did adopt such a plan on December 22, 2000. The cooperation of the agencies and their shared commitment to a single management plan is essential to effectively manage bison and the risk of transmission of brucellosis from bison to domestic livestock.

## SABHRS Reporting

The fiscal activity of the bison/brucellosis operational program is primarily recorded in the Animal Health Division of the department in organizational centers (Orgs) 401 and 402. Org 401 tracks any state special revenue expended in the program. The SABHRS fund for org 401 is 02426, per capita fees.

Org 402 accounts for the federal funds from our cooperative agreement with the United States Department of Agriculture/Animal and Plant Health Inspection Service, (USDA/APHIS). This agreement is a major source of funding that provides for the primary operational cost of the brucellosis management program. The SABHRS fund for org 402 is 03427.

Organizational centers 409, 103 and 302 track the Greater Yellowstone Brucellosis Interagency Committee (GYIBC) federal grant. These grant funds are for brucellosis research and analysis as well as providing for Montana's participation with Idaho and Wyoming on the committee. Org 409 in the Animal Health Division accounts for most of this fund. Org 103 includes some personal service and equipment cost for the Lab

Information Technology System related to such research, testing and analysis. Org 302 tracks actual lab equipment needed for the testing and research.

All of the financial information provided in this report was taken from the 7/27/2002 fiscal year end SABHRS MTGL0106-0 document.

### Expenditures

#### **State Special Revenue - Org 401**

Prior to FY 1999 the Department of Livestock funded the bison/brucellosis management program with state special revenue derived from the per capita fee assessed on the Montana livestock industry. Significant efforts have been made to acquire federal funding to relieve the fiscal burden to the state livestock industry. By FY 2002 the fiscal burden has primarily been shifted to federal sources.

In FY 2002 the Legislature authorized \$177,823 for disease outbreak funding including brucellosis. Fortunately, only \$2,257 was expended from state special revenue as recorded in SABHRS Org 401. The expenditures were for minor amounts of supplies, equipment rentals, in-state-lodging and communications.

#### **Expenditure ORG 402 – Bison Cooperative Agreement - Federal Funds:**

In FY 2002 a total of \$689,891 was expended in the cooperative agreement. FY 2002 shows a significant increase in expenditures of federal funds since FY1999 when the Department of Livestock was successful in acquiring federal funding through a cooperative agreement with USDA/APHIS and expended \$31,154. By FY2000, the Department expended \$383,485 in federal funds from the cooperative agreement and \$523,147 in FY 2001. These expenditures are detailed in previous reports to the Legislature. The acquisition of federal funds has greatly helped the livestock industry in dealing with the bison/brucellosis problem.

The FYE 2002 total budget authorized by the Legislature was \$698,037. This includes pay plan allocation for the 6.00 FTE funded out of the program. SABHRS also includes \$234,013 of carry forward authority from FY 2001. The carry forward exists because the federal fiscal year runs from October 1 through September 30, and does not coincide with the state fiscal year that runs from July 1 through June 30 each year. However, any expenditure from the prior year carry forward must be recorded in the state fiscal year that it occurred. If funds are not expended, the spending authority reverts.

In state FY 2002, a total of \$932,050 budget authority existed in reporting org 402, the bison cooperative agreement. Of the \$234,013 carry forward budget authority from FY 2001, \$58,106 was expended. Of the \$698, 037 budgeted for state FY2002, \$631,785 was expended. Thus, total expenditures that occurred and were recorded in state FY 2002 were \$689,891. The following Table summarizes the budgeted and expended amounts from the cooperative agreement and the balance for state FY 2002.

#### **Org 402 Bison Federal Funds – Cooperative Agreement**

Budget Item	Budget Amount	Expenditure	Balance
1000 Personal Services	\$353,324	\$232,061	\$121,263
2000 Operations			
2100 Contracted Services	\$380,190	232,790	\$147,400
2200 Supplies & Materials	\$ 57,440	\$43,084	\$ 14,356
2300 Communications	\$ 57,795	\$ 4,158	\$ 53,637
2400 Travel	\$ 16,574	\$57,097	\$(40,523)
2500 Rent	\$ 3,101	\$26,829	\$(23,728)
2600 Utility	\$(34)	\$ 1,028	\$ (1,062)

2700 Repair & Maintenance	\$ 13,691	\$13,042	\$ 649
2800 Other	\$ 2,500	\$ 21,557	\$ 19,057)
Total Operations	\$531,257	\$399,585	\$131,672
3000 Equipment	\$47,470	\$ 58,245	\$(10,775)
<b>TOTAL</b>	<b>\$932,051</b>	<b>\$689,891</b>	<b>\$242,160</b>
Funding Acct. Entity 03427	-	-	-
<b>Total Fed. Special Revenue</b>	<b>\$932,051</b>	<b>\$689,891</b>	<b>\$242,160</b>

The federal expenditures recorded in org 402 are detailed as follows:

#### **Personal Services:**

There was \$232,061 expended in direct personal services for operational and administrative bison work performed by the Department of Livestock in FY 2002.

#### **Operations:**

##### Contracted Services

Contracted services were primarily for security, consulting services, legal services, lab testing, printing and other costs. Contract security is required to protect two capture facilities around the clock. Consulting and professional services of \$41,825 primarily is for contract veterinarians required to conduct tests of the bison for brucellosis. There was also some consulting work for environmental review and analysis. A total of \$232,790 for contracted services was expended in the following categories:

*Contract security	*\$173,937
Consulting services	\$ 41,825
Legal services	\$ 11,610
Lab tests	\$ 1,940
Appraiser fees	\$ 1,720
Printing/photo/media	\$ 706
Miscellaneous other	\$ 1,052
	<b>\$232,790</b>

\*Note: There was an accounting coding error of \$31,492 that should have been added to contract security. This amount was erroneously coded in travel. Therefore, a total of \$205,429 was actually expended in contract security and a total of \$264,282 should have been coded to contracted services.

##### Supplies and Materials

Supplies and materials include items necessary for the bison program operations. This includes such items as fuel for vehicles, minor tools and equipment, munitions, electrical supplies for lighting the facility, uniforms and clothing for personnel working on site, office supplies, law enforcement items, lab supplies, veterinarian supplies, housing supplies, hay and grain, photo and reproduction supplies and miscellaneous supplies. These items are detailed as follows:

Fuel	\$13,697
Minor tools and equipment	\$ 8,247
Munitions (cracker shells for hazing)	\$ 3,110
Clothing	\$ 1,104
Office supplies & minor equipment	\$ 3,220
Radio supplies & equipment	\$ 2,207
Law enforcement equipment	\$ 4,339
Laboratory equipment & supplies	\$ 4,319
Veterinarian supplies	\$ 751
Housekeeping & linens	\$ 693
Hay & grain	\$ 555
Photo & reproduction	\$ 655
Miscellaneous	\$ 187

<b>Total</b>	<b>\$43,084</b>
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Communications

Communications include expenditures for cellular and regular phones and related charges, phone equipment, and long distance charges. These expenses are listed as follows:

Cellular phones	\$2,682
Phone equipment	\$ 952
Long distance	\$ 499
Miscellaneous	\$ 24
<b>Total</b>	<b>\$4,157</b>

Travel

Travel is for bison ground crews and other department employees traveling to Gardiner and West Yellowstone to perform bison disease control duties. It also includes travel to out-of-state meetings on bison and brucellosis issues attended by officials of the department.

In-state personal car mileage	\$ 1,641
*In-state aircraft	*\$ 5,221
In-state other	\$ 368
In-state meals	\$ 782
In-state lodging	\$ 2,961
In-state meals overnight	\$ 13,108
Out-of-state commercial transportation	\$ 357
*Coding Error (This is Contract Security)	*\$31,492
Out-of-state meals and other	\$ 507
Out-of-state lodging training	\$ 659
<b>Total</b>	<b>\$57,097</b>

\*Note: This category has coding errors of \$5,221 for in-state aircraft that should have been coded to rent and \$31,492 that is contract security and should have been coded to contracted services. Actually, the total travel expended was \$20,384 as these coding errors are accounted for.

Rent

The rent category includes such items as snow removal equipment, snowmobiles, loaders, rental of aircraft to count bison, and other specialized equipment. It also includes rent for the housing of bison ground crew workers.

Heavy equipment	\$ 1,189
Rent/non-state building	\$ 3,700
Small equipment	\$ 1,337
*Aircraft rental	\$12,888
Leased equipment	\$ 4,495
Storage	\$ 3,220
<b>Total</b>	<b>\$26,829</b>

\*Note: Aircraft rental would be \$18,109 if the \$5,221 coded in travel above were accounted for as rent. Total rent would be \$32,050 as this adjustment is made.

Utilities

The utility costs are for the propane to operate the lab test trailer, electricity for the facility and garbage removal.

Propane	\$ 163
Electricity	\$ 866
<b>Total</b>	<b>\$1,029</b>

Repair and Maintenance

The bison operation repair and maintenance category includes such items as vehicle repair and maintenance, repair of snowmobiles, and radio and communication equipment.

Vehicle repair and maintenance	\$ 8,732
Snow equipment repairs	\$ 2,758
Radio equipment repair and maintenance	\$ 1,425
Miscellaneous repair and maintenance	\$ 127
<b>Total</b>	<b>\$13,042</b>

Other Expenses

Slaughter meat processing	\$18,969
Education and training	\$ 1,120
Subscriptions and research material	\$ 447
Public relations materials	\$ 439
Freight	\$ 327
Recruiting	\$ 255
<b>Total</b>	<b>\$21,557</b>

Equipment

Extensive snow during the bison/brucellosis disease control operations requires snowmobiles and snow removal equipment. Also brucellosis lab testing and field monitoring equipment is necessary for brucellosis detection and monitoring. The test trailer purchased was for the on site lab testing for brucellosis. Field monitoring equipment was procured for locating and monitoring bison. Horses were purchased for field workers to ride when working with bison. These items are detailed as follows:

Snow removal equipment	\$ 8,457
Laboratory equipment	\$ 8,744
Test trailer	\$ 7,575
Field monitoring equipment	\$32,069
Horses	\$ 1,400
<b>Total</b>	<b>\$58,245</b>

**Grand Total Costs Org 402-Federal** **\$689,891**

**Greater Yellowstone Interagency Brucellosis Committee (GYIBC) — Federal**

The GYIBC budget and expenditures for state FY 2002 as recorded on SABHRS in Orgs 103, 302, and 409 are combined in the following table. During FY 2002 a total of \$273,999 was budgeted and \$195,163 was expended. This particular grant runs from January 1 through December 31 each year. Consequently there is a carry-forward budget and expenditure amounts included in the data of the table. The amount of carry-forward budgeted in FY 2002 was \$99,164. The amount of carry-forward expended during state FY 2002 was \$54,066.

Budget Item	Budgeted Amount	Expenditure	Balance
1000 Personal Services	\$ 10,796	\$ 12,046	(\$1,250)
2100 Contracted Services	\$157,748	\$152,726	\$ 5,022
2200 Supplies	\$ 39,365	\$ 10,499	\$ 28,866
2300 Communications	\$ 17,070	\$ 0	\$ 17,070
2400 Travel	\$ 27,913	\$ 218	\$ 27,695
2500 Rent	0	\$ 140	\$ (140)

2700 Repair and Maintenance	\$ (8)	\$ 0	\$ (8)
2800 Other	\$ 0	\$ 294	\$ (294)
3100 Equipment	\$ 21,115	\$ 19,240	\$ 1,875
Total	\$273,999	\$195,163	\$ 78,836

### Detail of Expenses:

#### Personal Services

The personal service expenditure was for a portion of a programmer analyst position that is participating in designing a lab information management system for disease research and analysis. A total of \$12,046 was expended for these purposes.

#### Contracted Services

There was a total of \$195,163 expended in GYIBC federal funds in state FY 2002. Most of these expenditures were for contracted services for brucellosis research efforts, primarily by the Department of Fish, Wildlife and Parks. The brucellosis research efforts were for brucellosis persistence and fetal disappearance, elk surveillance plan, and sero-negative pregnant female bison in the Montana Greater Yellowstone Area (GYA). Also, \$5,000 was expended in contracted services with the Department of Administration for data network costs related to the LIMS system at the lab.

Brucellosis research and analysis	\$147,726
Data Network Services/ D of A	\$ 5,000
Total	\$152,726

#### Supplies and Materials

A portion of the personal computer replacements for the new lab information system was included in supplies as computer hardware. Also a portion of office supplies for the lab was expended in this category.

Minor equipment – computer hardware	\$ 7,830
Office supplies	\$ 2,592
Miscellaneous	\$ 77
Total	\$10,499

#### Travel

The travel was expended to attend GYIBC meetings.

Out-of-state lodging and meals	\$ 218
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#### Rent

The rent was for a meeting room.

#### Other

The other expense was for education and training

#### Equipment

Equipment necessary to perform brucellosis testing at the diagnostic laboratory was procured costing \$9,240.

Also, a \$10,000 computer server was procured to enhance research and analysis capability at the diagnostic laboratory.

Total equipment	\$ 19,240
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Total Expenditures of GYIBC Federal Funds	\$195,160
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Combined Total Bison Related Expenditures

State Special Revenue	\$ 2,257
Cooperative Agreement-Federal	\$689,891
GYIBC-Federal	<u>\$195,163</u>

**Grand Total FY02 Expenditures – All Funds      \$887,311**

## **CHARTS:**

The following charts help illustrate the bison/brucellosis disease fiscal activity in recent years.

**Chart One:**

MONTANA DEPARTMENT OF LIVESTOCK TOTAL BISON EXPENDITURES & FUNDING FISCAL YEARS 1996 THROUGH 2002							
EXPENSES	FY96	FY97	FY98	FY99	FY00	FY01	FY02
PER. SER.	\$40,996	\$41,189	\$6,709	\$22,205	\$944	\$149,457	\$244,107
EQUIPMENT					\$208,315	\$73,492	\$77,485
OPERATE	<u>\$82,842</u>	<u>\$204,621</u>	<u>\$147,514</u>	<u>\$233,649</u>	<u>\$194,508</u>	<u>\$394,116</u>	<u>\$565,719</u>
<b>TOTAL</b>	<b>\$123,838</b>	<b>\$245,810</b>	<b>\$154,223</b>	<b>\$255,854</b>	<b>\$403,767</b>	<b>\$617,065</b>	<b>\$887,311</b>
<b>FUNDING:</b>							
ST. SPEC.	\$123,838	\$245,810	\$154,223	\$224,700	\$20,281	\$19,041	\$2,257
FEDERAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$31,154</u>	<u>\$383,485</u>	<u>\$598,024</u>	<u>\$885,054</u>
<b>TOTAL</b>	<b>\$123,838</b>	<b>\$245,810</b>	<b>\$154,223</b>	<b>\$255,854</b>	<b>\$403,766</b>	<b>\$617,065</b>	<b>\$887,311</b>

Chart One illustrates the total bison expenditures and all funding sources from FY 1996 through FY 2002. From FY 1996 throughout most of FY 1998, the Montana livestock industry funded all of the bison/brucellosis disease control costs with state special revenue. In FY 1999 the Department of Livestock expended \$224,700 from state special industry funds and \$31,154 from federal funds. Since FY 1999, the program has shown a steady increase in federal funding and a steady decline in state special revenue. By FY 2002, state special revenue expenditures were only \$2,257 and federal expenditures were \$885,054. The total expenditures have increased from \$123,838 in FY 1996 to \$887,311 in FY 2002.

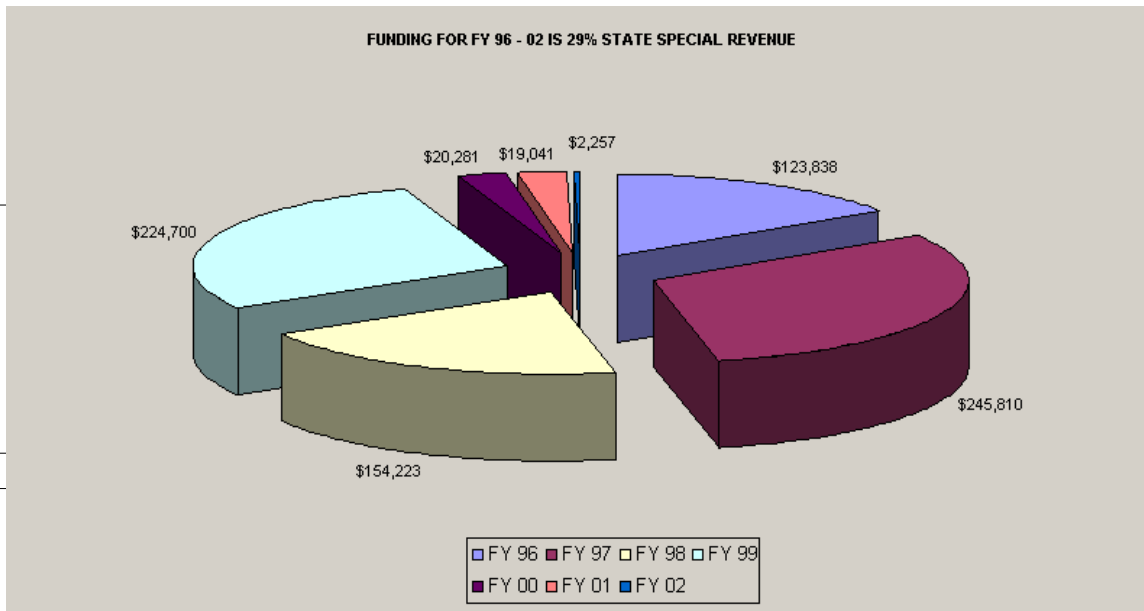
**Chart Two:**

Chart Two shows the total amount of state special revenue expended from FY 1996 through FY 2002. During this period, a total of \$790,150 was expended by the Montana livestock industry on the bison/brucellosis issue. State special expenditures significantly declined from FY 2000 through FY 2002 as federal funding became predominate.



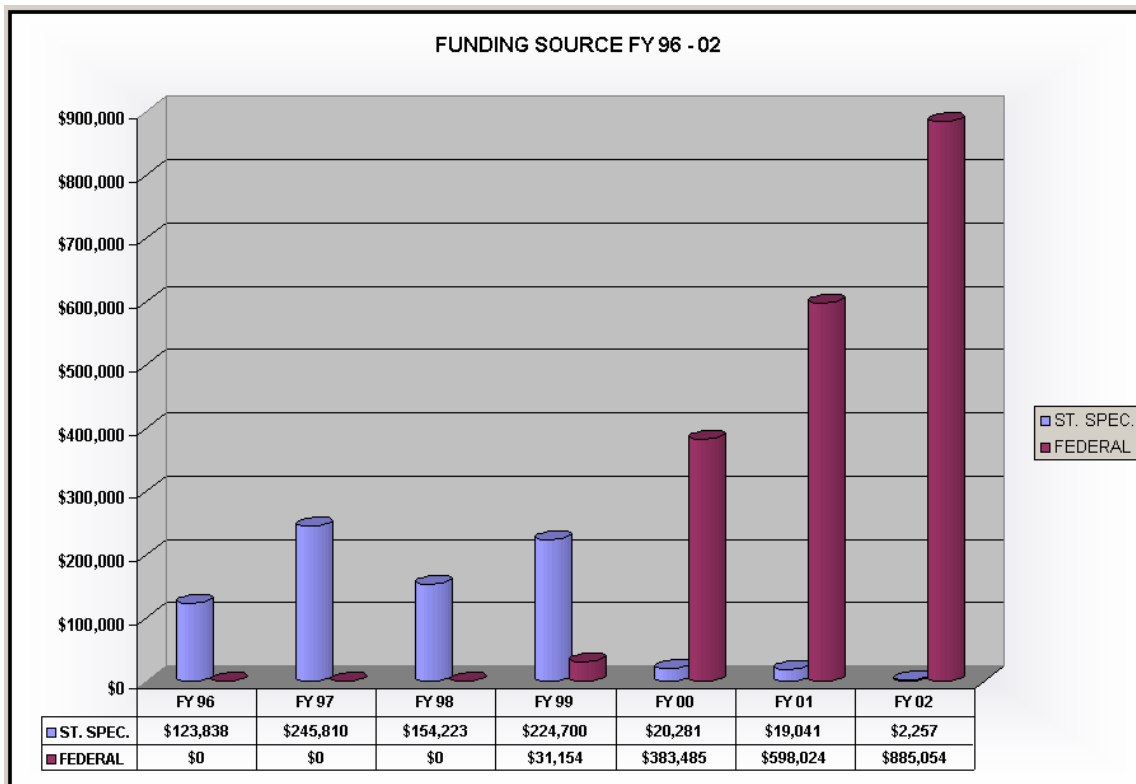
**Chart Three**

Chart Three shows the dramatic change in funding the brucellosis disease control issue from FY 1996 through FY 2002. From FY 1996 to FY1999 the issue was predominately funded with state special revenue from the Montana livestock industry. State special funding declined to \$2,257 in FY 2002. By contrast, the federal funding increased from zero prior to FY 1999 to near total funding by FY 2002.

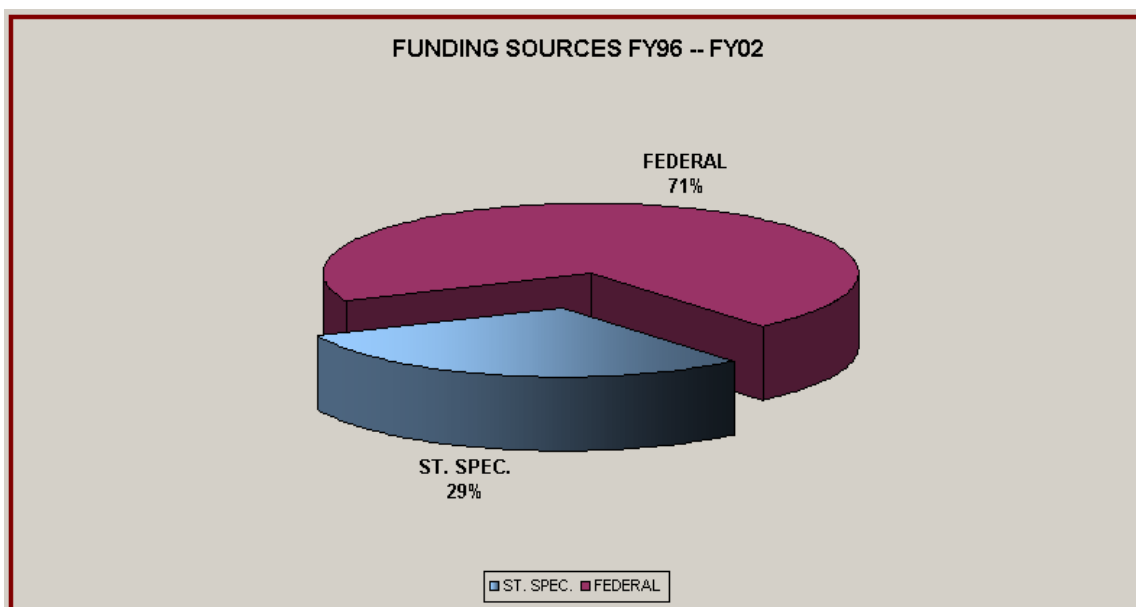
**Chart Four**

Chart Four shows that since FY 1996 the federal funding of the bison/ brucellosis issue accounts for 71% of

total costs. During the same period, state special revenue was 29% of the total costs.

**Chart Five**

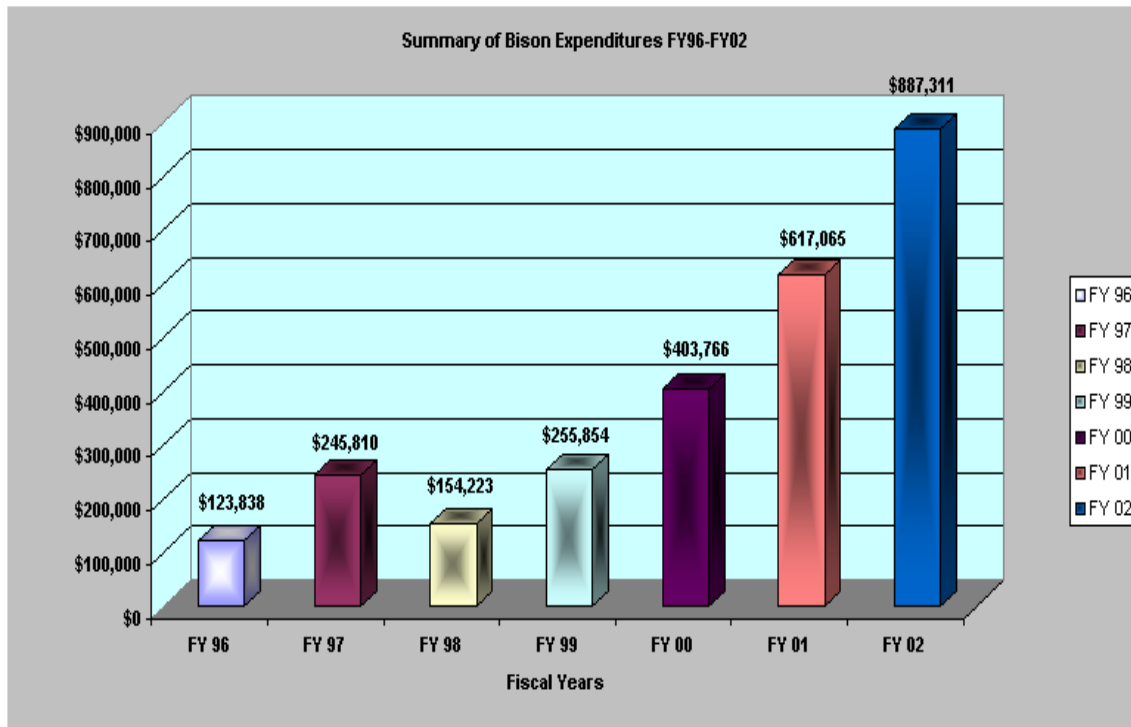


Chart Five shows the dramatic increase in overall cost of the bison/brucellosis disease control effort from FY 1996 to FY 2002. The total cost has increased from \$123,838 in FY 1996 to \$887,311 in FY 2002.